

1 ZEV SHECHTMAN (Bar No. 266280)
zev.shechtman@saul.com
2 CAROL CHOW (Bar No. 169299)
carol.chow@saul.com
3 RYAN F. COY (Bar No. 324939)
ryan.coy@saul.com
4 SAUL EWING LLP
5 1888 Century Park East, Suite 1500
Los Angeles, California 90067
6 Telephone: (310) 255-6100

7 Counsel to Debtors
8 Alan Gomperts, Daniel Halevy, and
Susan Halevy
9

10 **UNITED STATES BANKRUPTCY COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

12 In re:

13 SEATON INVESTMENTS, LLC, *et al.*, -- **Now**
14 ***a dismissed case,***

15 Debtors and Debtors in
16 Possession.

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19 Affects All Debtors.
 Affects Seaton Investments, LLC (**Dismissed**)
 Affects Colyton Investments, LLC (**Dismissed**)
20 Affects Broadway Avenue Investments, LLC
 Affects SLA Investments, LLC
 Affects Negev Investments, LLC
21 Affects Alan Gomperts
 Affects Daniel Halevy
22 Affects Susan Halevy

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Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ
and 2:24-bk-12076-VZ

Chapter 11

**DEBTORS' STATUS REPORT RE
CONTINUED HEARING ON ORDER
TO APPEAR TO EXPLAIN WHY
CASES SHOULD NOT BE
DISMISSED**

Hearing:

Date: May 22, 2025

Time: 11:00 a.m.

Crtrm.: 1368

1 Debtors Alan Gomperts, Daniel Halevy, and Susan Halevy (collectively, the “Individual
2 Debtors”) and debtors Broadway Avenue Investments, LLC (“Broadway”), SLA Investments, LLC
3 (“SLA”), and Negev Investments, LLC (“Negev,” and collectively with Broadway and SLA, the
4 “Corporate Debtors,” and collectively with the Individual Debtors, the “Debtors”) hereby submit
5 this status update to the responses of Debtors (Docket Nos. 397, 412) re Order to Appear to Explain
6 why Cases Should not be Dismissed (Docket No. 367) (the “OSC”). The Debtors wish to apprise
7 the Bankruptcy Court of the most recent developments in their cases prior to the continued OSC
8 hearing scheduled for May 22, 2025 at 11:00 a.m.

9 Given the Debtors’ progress and recent developments, the Debtors request that the Court
10 continue the OSC hearing to July 10, 2025.

11 **I. BACKGROUND**

12 On December 20, 2024, the Court entered the OSC requiring the Debtors to “show cause
13 why the above-captioned bankruptcy cases should not be converted or dismissed pursuant to 11
14 U.S.C. § 1112.” OSC at p. 2.

15 On January 16, 2025, the Debtors filed a response to the OSC (“Response to OSC,” Docket
16 No. 397), and on January 29, 2025, the Debtors filed a further status update regarding the OSC
17 (“Status Update re OSC,” Docket No. 412).¹ On January 30, 2025, the Court held a hearing on the
18 OSC, and at this hearing, the Debtors indicated that two of the debtors, Seaton Investments, LLC
19 and Colyton Investments, LLC, could be dismissed based on a recent resolution with the secured
20 creditor in those cases. The Court, then, continued the OSC hearing to February 27, 2025 at 11:00
21 a.m.

22 On February 20, 2025, the Debtors filed a status report re the continued OSC hearing
23 (Docket No. 438), and then, in light of the status of settlement discussions with creditors and
24 development of a new plan, on February 27, 2025, the Court held a continued OSC hearing and
25 continued the hearing to April 10, 2025. Also on February 27, 2025, the Court gave oral findings
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28 ¹ To avoid redundancy, the Debtors hereby incorporate the facts, evidence, and arguments contained
in the Response to OSC and the Status Update re OSC.

on the Debtors' Disclosure Statement, which helped the Debtors identify the remaining issues for the disclosure statement and proposed joint plan.

On March 6, 2025, the Court entered an order dismissing the jointly administered bankruptcy cases of Seaton Investments, LLC and Colyton Investments, LLC (Docket No. 459).

On April 10, 2025, the Court held a continued OSC hearing and further continued the hearing to May 22, 2025 (Docket No. 484).

II. STATUS UPDATE

After the prior hearing on April 10, 2025, the Debtors have made substantial progress in negotiating and ultimately reached an agreement in principle with Archway Broadway Loan SPE, LLC (“Archway”) on plan terms. The Debtors and Archway are memorializing their agreement, which will be integral to the revised joint plan and disclosure statement the Debtors’ intend to file.

The Debtors' joint plan of reorganization relies on rental income to be generated by the real property located at 737 S. Broadway, Los Angeles, CA 90014 (the "Broadway Building"). Broadway has been able to acquire a tenant for the Broadway Building, and under the agreement with Archway, Archway will support Broadway's entry into a post-petition lease, and those lease payments will support the joint plan.

Once the agreement with Archway is finalized, the Debtors are confident that they will have a direct path to confirming a joint plan of reorganization within the next 2-4 months.

III. CONCLUSION

For the foregoing reasons, the Debtors request that the Court discharge the OSC or that the Court continue the hearing on the OSC to July 10, 2025.

Dated: May 8, 2025

By: /s/ Ryan Coy
Zev Shechtman
Ryan Coy
Attorneys for Individual Debtors

1 Dated: May 8, 2025

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

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Derrick Talerico
Attorneys for Corporate Debtors

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **Debtors' Status Report Re Continued Hearing on Order to Appear to Explain Why Cases Should not be Dismissed** be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **May 8, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) , I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) , I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 8, 2025 Hannah Richmond /s/ Hannah Richmond
Date Printed Name Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) (continued):

- **Scott R Albrecht** salbrecht@gsaattorneys.com, jackie.nguyen@sgsattorneys.com
- **Tanya Behnam** tbehnam@polsinelli.com, tanyabehnam@gmail.com;ccripe@polsinelli.com;ladocketing@polsinelli.com
- **Jacquelyn H Choi** jacquelyn.Chi@rimonlaw.com, docketingsupport@rimonlaw.com
- **Carol Chow** Carol.Chow@saul.com, hannah.richmond@saul.com;easter.santamaria@saul.com;carol.chow@ecf.courtdrive.com;litigationdocketing@saul.com
- **Robert F Conte** robert.conte@usdoj.gov, caseview.ecf@usdoj.gov;usacac.tax@usdoj.gov
- **Ryan Coy** ryan.coy@saul.com, hannah.richmond@saul.com;Shelly.Guise@saul.com;LitigationDocketing@saul.com;ryan.coy@ecf.courtdrive.com
- **Christopher Cramer** secured@becket-lee.com
- **Christopher Crowell** ccrowell@hrhllaw.com
- **Turner Falk** turner.falk@saul.com, tnfalk@recap.email
- **Michael G Fletcher** mfletcher@frandzel.com, sking@frandzel.com, autodocket@frandzel.com
- **Todd S. Garan** ch11ecf@aldridgeppte.com, TSG@ecf.inforuptcy.com;tgaran@aldridgeppte.com
- **Richard Girgado** rgirgado@counsel.lacounty.gov
- **Jacqueline L James** jjames@buchalter.com, gvidales@buchalter.com
- **Kelly L Morrison** kelly.l.morrison@usdoj.gov
- **Avi Edward Muhtar** amuhtar@crownandstonelaw.com
- **Bruce D Poltrack** bpoltrack@frandzel.com, sking@frandzel.com
- **Paige Selina Poupart** ppoupart@frandzel.com, achase@frandzel.com
- **Lovee D Sarenas** lovee.sarenas@dinsmore.com, wendy.yones@dinsmore.com
- **Zev Shechtman** Zev.Shechtman@saul.com, zshechtman@ecf.inforuptcy.com;hannah.richmond@saul.com;LitigationDocketing@saul.com
- **David B Shemano** dshemano@shemanolaw.com
- **Derrick Talerico** dtalerico@wztslaw.com, maraki@wztslaw.com, sfritz@wztslaw.com, admin@wztslaw.com
- **United States Trustee (LA)** ustpregion16.la.ecf@usdoj.gov
- **Garrick Vanderfin** gvanderfin@polsinelli.com, zyoung@Polsinelli.com;ladocketing@polsinelli.com
- **Gerrick Warrington** gwarrington@frandzel.com, achase@frandzel.com
- **Jennifer C Wong** bknotice@mccarthyholthus.com, jwong@ecf.courtdrive.com